



## **Inclusionary Housing Ordinance Fact Sheet**

**Basic Requirements:** Requires all new residential projects of 7 units or more to reserve 15% of all units as affordable (see attached Income Limits Sheet for further details).

- For ownership projects, affordable units shall be sold at a cost affordable at 110% of the area median income;
- For rental projects, 9% of the total project's units must be offered at rents affordable to very-low income households. An additional 6% must be offered at rents affordable to low income households;
- For projects less than 20 units, fractional units are not required. For projects greater than 20 units, a fractional unit of 0.6 or greater requires the provision of a full unit; for fractional units less than .6, no additional unit is required.
- Affordable units shall be comparable to market-rate units in overall number & proportion of bedroom types, exterior appearance, and overall construction quality, and shall be dispersed throughout the project.

### **Incentives:**

- Affordable units in an ownership project may be somewhat smaller but should be generally representative of the unit sizes within the market rate portion of the development; and affordable units may have different interior features so long as they are good quality and consistent with contemporary standards, as determined by the City;
- In single-family detached projects, affordable units may be attached rather than detached;
- In attached multi-story living developments, the affordable units may contain only one story.

### **Performance Requirements:**

- Building permits will not be issued for market-rate units until permits for all affordable units have been obtained;
- Market-rate units will not be inspected for occupancy until all affordable units have been constructed.

### **Continued Affordability:**

- Affordable rentals shall remain affordable for 99 years; tenants shall be selected by lottery conducted in partnership with the City;
- Affordable ownership units will initially remain affordable for 30 years, with 30-year renewable terms upon resale; the City will select and refer eligible buyers.

### **Potential Alternatives to On-Site Construction:**

- Affordable rental units may be built in for-sale developments;
- Affordable units may be built off-site;
- Land dedication contiguous to the market-rate project to accommodate at least the required affordable units may be allowed.

**Possible In-Lieu Fee:** Only available to ownership projects in very-low or low density or open space designations where average lot sizes are 10,000 S.F. or greater; the current fee is \$41,734 (Res. No. 9856) for each unit in the project.

**Potential Waiver:** A waiver, adjustment or reduction must be requested when applying for a project's first approval.

**If you have additional questions, please contact:**

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